

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of)
) Docket No. 21A-020-INS
4 **Subscribers at Casualty Reciprocal**)
Exchange, in Liquidation)
5 **(NAIC No. 21237)**)
) **ORDER FOR RELEASE OF**
6) **WORKERS' COMPENSATION**
Petitioner.) **DEPOSIT**
7)

8 Arizona Revised Statutes (A.R.S.) § 23-961 provides that workers' compensation
9 deposits shall be held by the Director of Insurance and Financial Institutions (Director) as
10 security for fulfillment of the obligations of an insurer under Title 23. Upon proper order of
11 a court of competent jurisdiction to the receiver, the Director shall issue an Order releasing
12 deposited funds pursuant to A.R.S. § 20-588(A)(3).

FINDINGS OF FACT

- 13 1. Subscribers at Casualty Reciprocal Exchange ("CRE") is a Missouri
14 domiciled insurer that transacted workers' compensation insurance business in Arizona.
- 15 2. CRE was placed into liquidation on August 18, 2004, in Case No.
16 O2CV326311, in the Circuit Court of Cole County, Missouri ("Liquidation Court"), and the
17 Missouri Director of Insurance was appointed Liquidator (hereinafter, the "Petitioner").
- 18 3. CRE placed a workers' compensation deposit pursuant to A.R.S. § 23-961
19 with the Department held through the Arizona State Treasurer, currently in the
20 approximate amount of \$1,012,535 ("WC Deposit").
- 21 4. An Order Approving Proof of Claim and Distribution of Special Deposit
22 ("Distribution Order") was entered by the Liquidation Court January 29, 2021. The
23 Distribution Order approved release of \$910,707.08 to the Special Fund of the Industrial
24 Commission of Arizona and the Arizona Property and Casualty Guaranty Fund with the
remaining balance released to the liquidation estate.

1 **CONCLUSIONS OF LAW**

2 1. Petitioner is entitled to the release of the WC Deposit pursuant to A.R.S. §
3 20-588(A)(3).

4 2. The Director has no personal liability for the release of the WC Deposit made
5 in good faith as provided in A.R.S. § 20-588(B).

6 **ORDER**

7 THEREFORE IT IS ORDERED that the WC Deposit in the approximate amount of
8 \$1,012,535 shall be released as instructed in the Distribution Order.

9 Dated this 1st day of March, 2021.

10 

11 _____
12 EVAN G. DANIELS, Director
13 **Arizona Department of Insurance and Financial Institutions**

1 COPY of the foregoing mailed/delivered
this 1st day of March, 2021 to:

2
3 Bill Kobusch, Special Deputy Liquidator
Casualty Reciprocal Exchange
4 Equity Mutual Ins Co
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